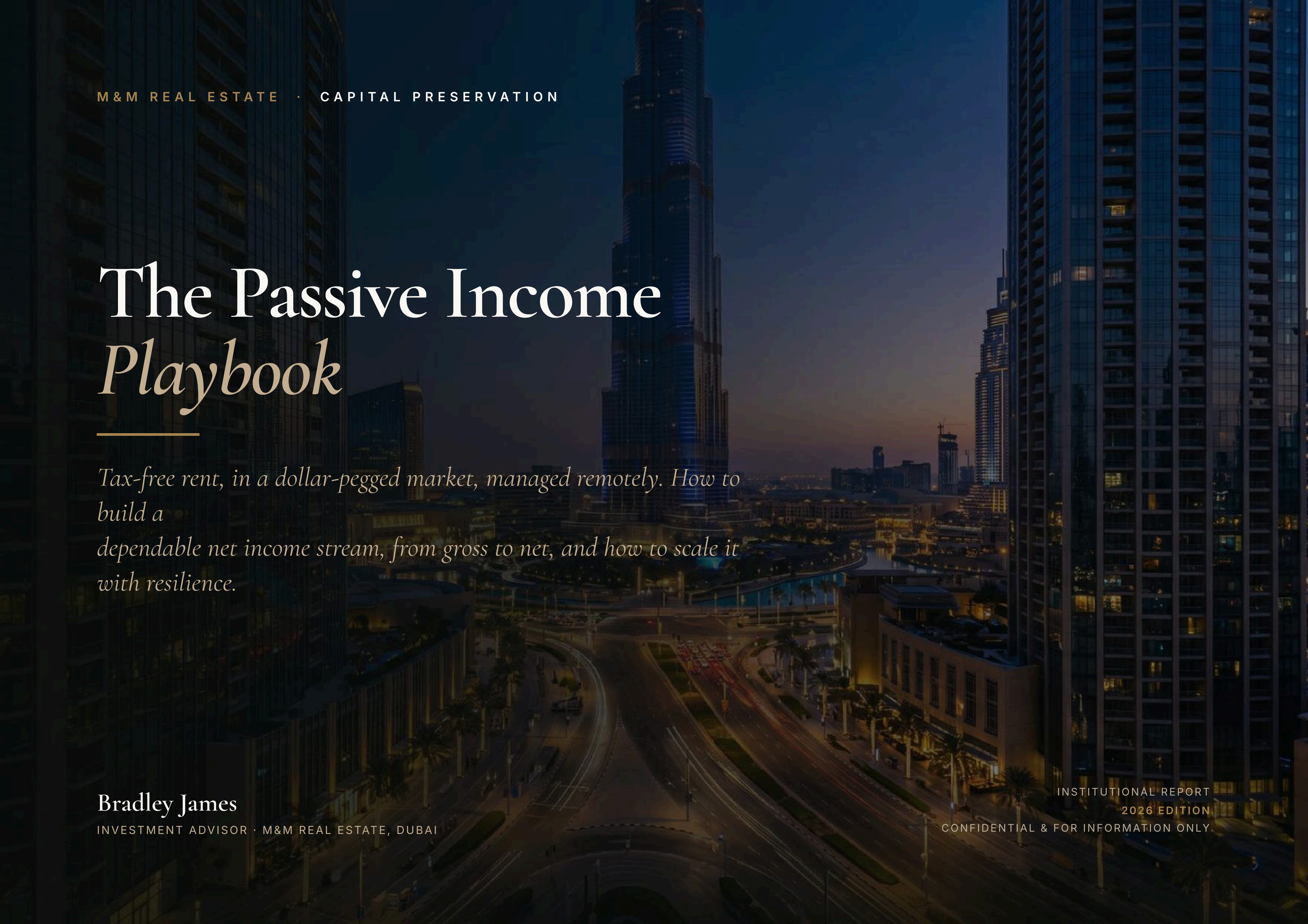


M&M REAL ESTATE · CAPITAL PRESERVATION

The Passive Income *Playbook*

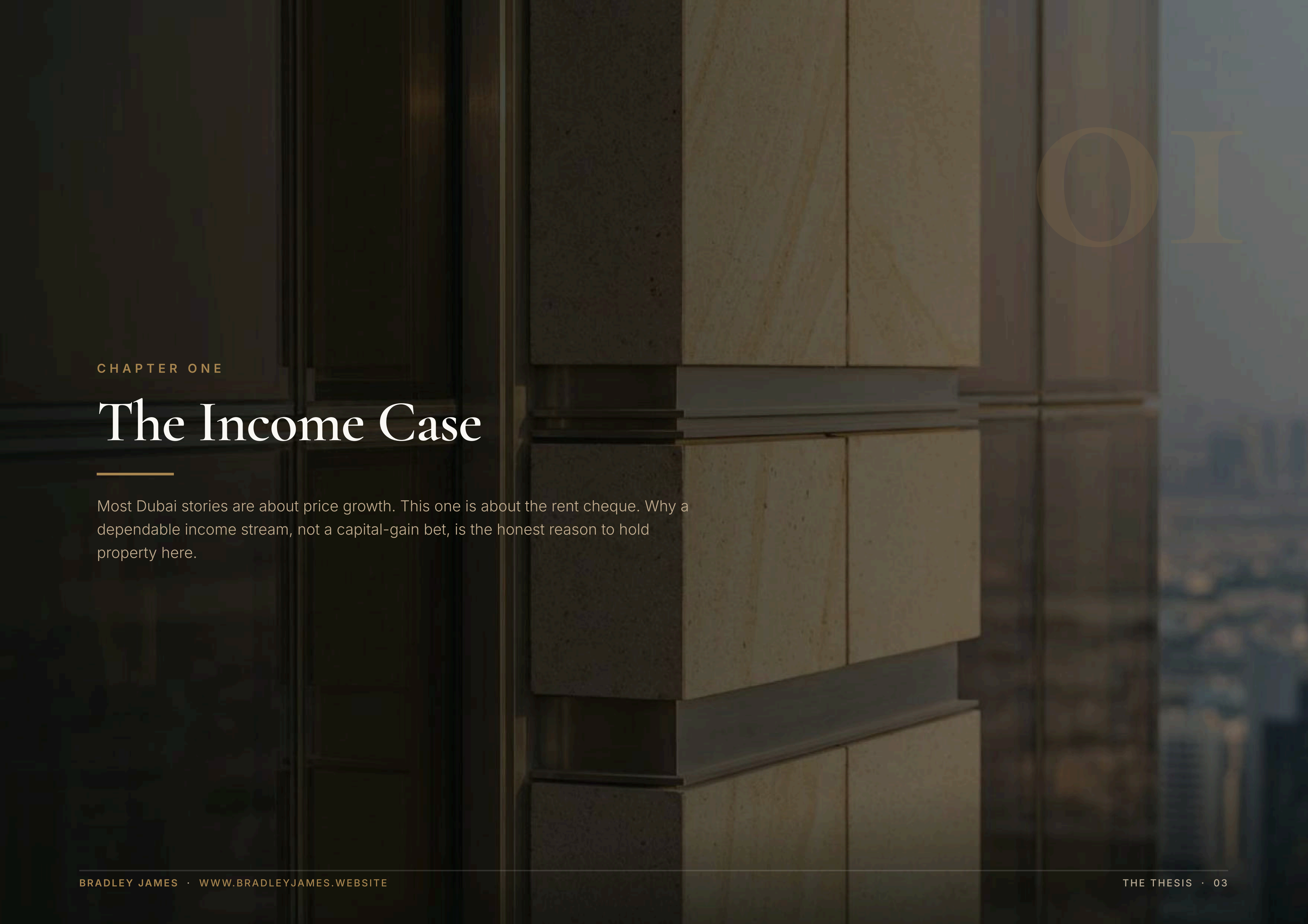
Tax-free rent, in a dollar-pegged market, managed remotely. How to build a dependable net income stream, from gross to net, and how to scale it with resilience.

Bradley James
INVESTMENT ADVISOR · M&M REAL ESTATE, DUBAI

INSTITUTIONAL REPORT
2026 EDITION
CONFIDENTIAL & FOR INFORMATION ONLY

CONTENTS

What This Guide Covers



01

CHAPTER ONE

The Income Case

Most Dubai stories are about price growth. This one is about the rent cheque. Why a dependable income stream, not a capital-gain bet, is the honest reason to hold property here.

CHAPTER 01 · THE THESIS

Income You Can Plan Around

Ask most people why they bought in Dubai and they will point at a price chart. Capital growth is real, and 2024 and 2025 were extraordinary. But growth is the part you cannot control and cannot promise. The rent cheque is different. It arrives whether the market is rising, flat or cooling, and for an investor whose real question is how to protect and pass on capital, that dependability is the point.

This guide is about building an income stream, not calling a top. The case rests on three structural pillars, and they matter more together than any single yield number. First, Dubai levies **0% personal tax** on rent from a property you own personally, so the gross the asset earns is the gross you keep, before costs. Second, the dirham has been fixed to the US dollar at **3.6725** since 1997, so your income is priced in the world's reserve currency and is not eroded by a devaluing local one. Third, the market is built for **remote management**, so an overseas owner can run a Dubai unit without living here.

Here is the discipline this whole playbook turns on, and I will repeat it until it is second nature. **Gross is not net.** A headline yield of around 7.0% to 7.2% gross on a city apartment is a real starting point, but service charges, management, the odd empty month and maintenance all sit between that number and the cash that actually reaches you. Income is more certain than capital growth. It is not risk-free, and it is not effortless. Read this as a manual for the net, not the headline.

◆ THE THREE PILLARS OF THE INCOME

- 0% personal tax on rent from a property you own personally.
- A currency pegged to the US dollar at 3.6725 since 1997.
- A market built for remote, professional management.
- Together they make a dependable, dollar-anchored, tax-free-at-source income stream.

◆ THE RULE OF THIS GUIDE

"Growth is the part you hope for. Income is the part you can plan around. Buy for the cheque you can rely on, not the chart you cannot."

CHAPTER 01 · INCOME VS GROWTH

Why Income Is the Safer Anchor

Capital growth and rental income are not the same kind of return, and treating them as interchangeable is how people get hurt. Growth is a paper number until you sell, it depends on the cycle, and in 2026 it is decelerating. Income is cash in hand, paid on a contract, and far less sensitive to sentiment. For a capital-preservation investor the hierarchy is clear: secure the income first, treat any growth as a bonus on top.

That framing also keeps you honest about the market you are actually buying into. Dubai is **cooling in 2026** after a record run. ValuStrat's price index is still positive but decelerating, the capital-growth outlook has eased to ~10% for 2026 from roughly 19.8% in 2025, and Fitch expects a supply-led correction of **up to 15%**, a moderation, not a crash. None of that changes the rent cheque much. A tenant on a twelve-month contract pays the same whether prices are climbing or drifting. That is exactly why income is the anchor a cautious investor should reach for first.

7.0% to 7.2%
GROSS APARTMENT YIELD, CITY AVERAGE
cr_dubai / Bayut

0%
PERSONAL TAX ON RENT YOU OWN PERSONALLY
PwC / UAE

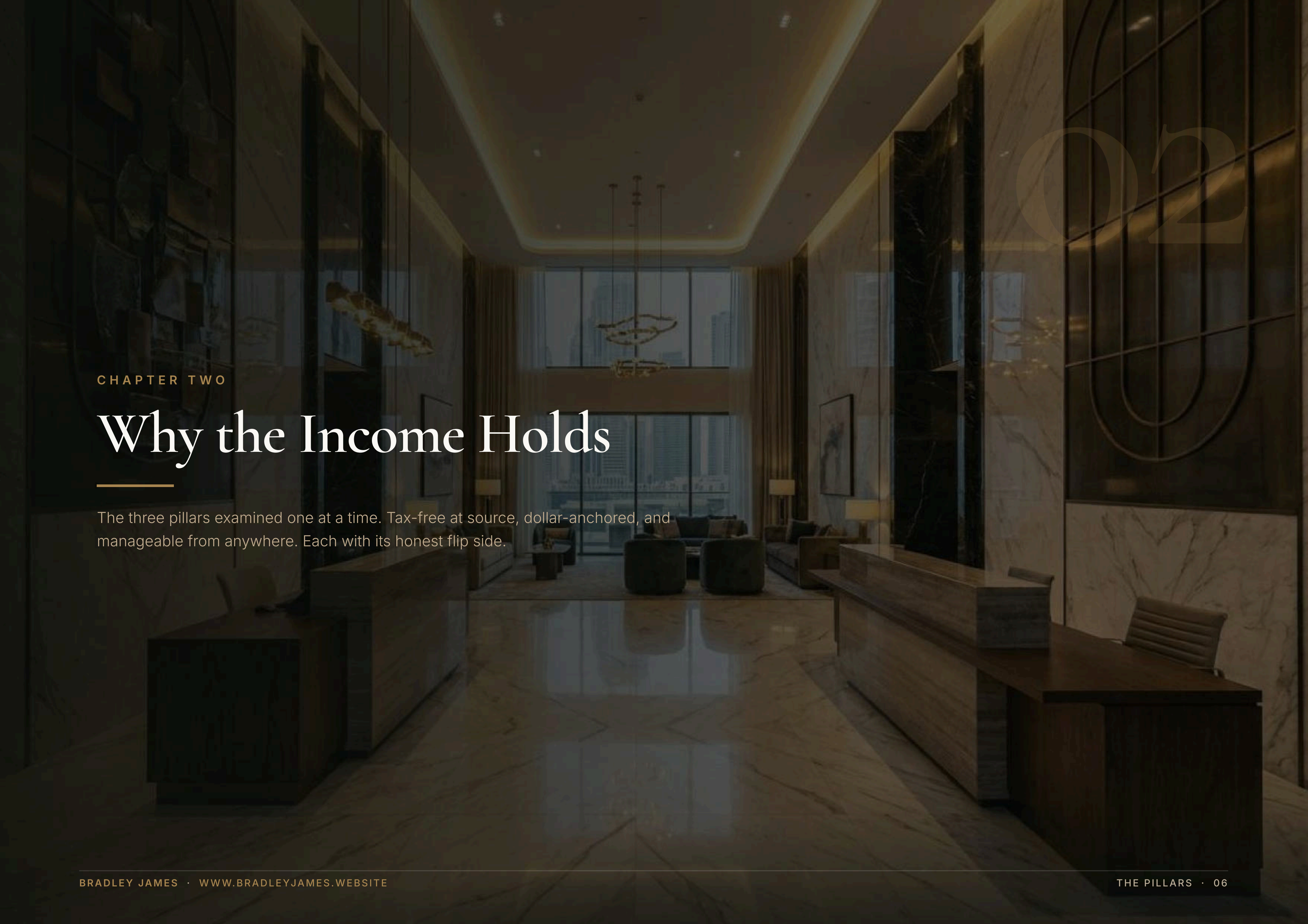
~10%
2026 CAPITAL-GROWTH OUTLOOK, DECELERATING
ValuStrat

◆ TWO RETURNS, RANKED

Capital growth is uncertain, cyclical and, in 2026, slowing. Rental income is contracted, cash and comparatively stable. If your goal is to protect capital, you rank the certain return above the hopeful one. Secure the income, then let growth be the upside you did not have to count on.

◆ THE HONEST ANCHOR

"The market is cooling and I will not hide it. The rent cheque barely notices. That is the whole argument for buying income."



02

CHAPTER TWO

Why the Income Holds

The three pillars examined one at a time. Tax-free at source, dollar-anchored, and manageable from anywhere. Each with its honest flip side.

CHAPTER 02 · PILLAR ONE

Tax-Free at Source, Precisely Stated

Rent from a property you own personally in Dubai is not taxed at the personal level. There is **0% personal income tax**, so the rent is not skimmed on the way in, and **no annual property tax** of the kind that quietly taxes ownership in the UK, the US or much of Europe every year whether the unit earns or not. For an income investor that is the single biggest structural advantage: the gross the asset produces is the gross you keep, before your own operating costs.

Now the clarification that keeps this honest. The UAE introduced a **corporate tax of 9%** in June 2023, charged on business profits above AED 375,000. It does **not** apply to an individual's personal rental income. If you own a flat in your own name and let it, that rent is not caught by the 9%. And the tax-free-at-source point is about Dubai only. Your **home country may still tax** the income depending on your own tax residence, which is a separate question you should take cross-border advice on. Dubai does not withhold; your own jurisdiction might still ask.

0%

PERSONAL TAX ON RENT, OWNED PERSONALLY

PwC / UAE

0%

ANNUAL PROPERTY OR COUNCIL TAX

DLD

◆ READ THE 9% CORRECTLY

The 9% corporate tax, from June 2023, is a tax on business profits above AED 375,000. It is not a tax on the rent from a property you own personally. Keep the personal and the corporate positions apart and the picture stays true.

Dollar-Anchored, and Run From Anywhere

The second pillar is the peg. Your rent is paid in dirhams, and the dirham has been fixed to the US dollar at 3.6725 since 1997. So your income stream is effectively priced in the reserve currency. In many emerging markets an investor earns a good local yield and still loses in real terms because the currency slides underneath them. A 20% or 30% devaluation can erase years of rent on the way home. The peg removes that particular risk. The honest flip side is dollar-rate exposure: when US rates move, UAE rates broadly follow, so a leveraged buyer's mortgage cost tracks the Federal Reserve, not local conditions. Stability on the currency, exposure on the rate.

The third pillar is remote management. Dubai is one of the easiest major markets in the world to own from abroad. A licensed management company handles tenant sourcing, the Ejari tenancy registration, rent collection, maintenance coordination and renewals, typically for around **5% to 8% of the annual rent** for a standard long let [operator estimate]. That is the fee that turns a Dubai flat into a genuinely hands-off income asset for an overseas owner. It is also a real cost, and it is one of the deductions that separates gross from net. 'Passive' is relative. Someone is always doing the work; the question is only whether it is you or a fee you pay.

3.6725

DIRHAMS PER US DOLLAR, FIXED SINCE 1997

Central Bank of the UAE

5% to 8%

LONG-LET MANAGEMENT FEE, OF ANNUAL RENT

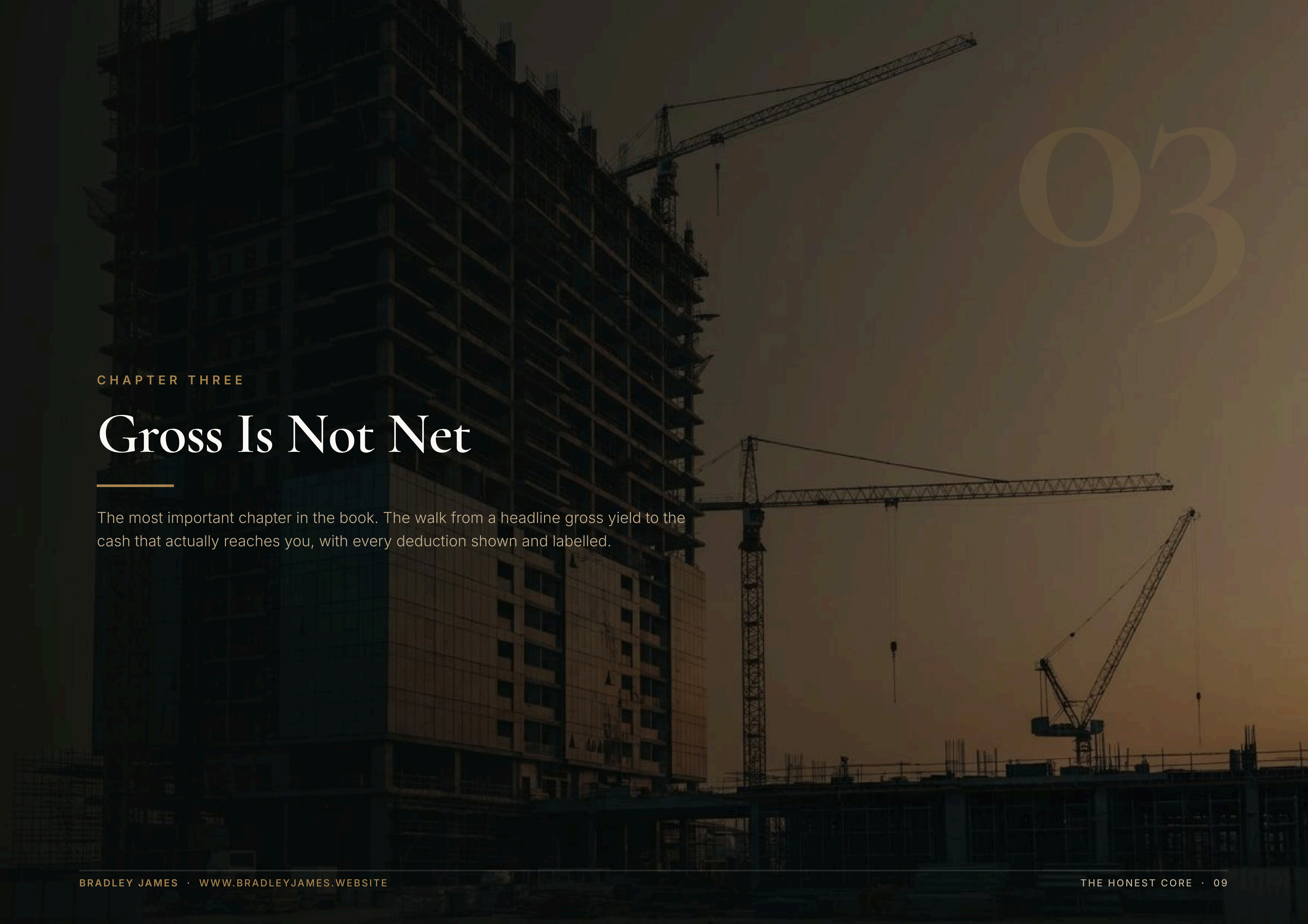
Operator estimate

◆ PASSIVE IS RELATIVE

A well-run Dubai long let is about as close to passive as property gets: one tenant, an annual contract, a manager on 5% to 8%. But it is never zero. There is always a fee, a renewal, a repair. Budget for the work, and it stays genuinely low-effort.

◆ THE TRADE ON THE PEG

"You are anchored to the dollar, not to a currency that can be inflated away. Stability on your capital, and a rate cycle you have to plan around."



03

CHAPTER THREE

Gross Is Not Net

The most important chapter in the book. The walk from a headline gross yield to the cash that actually reaches you, with every deduction shown and labelled.

What Sits Between Gross and Net

If you remember one thing from this guide, make it this. The yield you are quoted is almost always gross, and the number that matters is net. Four deductions sit in between, and none of them are optional.

Service charges come first and are the biggest single variable. Every apartment community levies an annual charge per square foot, set by a RERA-regulated Owners' Association, submitted through the DLD Mollak system and benchmarked against the official Service Charge Index. They range from roughly **AED 8 to 14 per sq ft** in a mid-tier community like JVC to **AED 18 to 30** in prime towers like Downtown. **Management** comes next, around **5% to 8%** of the rent for a long let [operator estimate]. Then a **vacancy allowance**, because no unit is let 365 days a year forever; budgeting **one empty month** is prudent. Finally **maintenance**, the small ongoing repairs and the occasional larger one. Subtract those four and the gross has become the net.

FROM GROSS TO NET	THE DEDUCTION	TYPICAL LEVEL	WHAT IT COVERS
Service charges	AED 8 to 30 per sq ft/yr	RERA-regulated Owners' Association upkeep, via DLD Mollak	
Management	5% to 8% of rent	Tenant sourcing, Ejari, rent collection, renewals [operator est.]	
Vacancy allowance	~1 month per year	Gap between tenancies, re-letting time	
Maintenance	Variable	Ongoing small repairs plus the occasional larger one	

Service-charge ranges: Arabian Sunrise / DLD Service Charge Index 2025. Management fee: operator estimate. Vacancy and maintenance are prudent budgeting allowances, not fixed figures. Your own numbers will differ by unit and community.

◆ THE DISCIPLINE

Never underwrite a purchase on the gross yield alone. Take the gross, subtract the service charge in dirhams per sq ft, take off 5% to 8% for management, allow one empty month and a maintenance float, and only then look at the number. That last number is your income.

◆ THE ONE LINE

"Gross is what the asset earns. Net is what reaches your account. Only one of them pays your bills."

CHAPTER 03 · THE WORKED ILLUSTRATION

A JVC Studio, Gross to Net

Here is the walk in numbers, deliberately simple and clearly labelled illustrative. Take a JVC studio, a mid-tier community that carries deep tenant demand. It is **advertised at around 8.5% gross**, one of the higher apartment yields in the city [Bayut / GuestReady]. Now apply the deductions. Service charges take a slice, management takes 5% to 8%, one vacant month and a maintenance float take the rest. The gross of roughly 8.5% commonly **settles at around 5.5% to 6.5% net** [operator estimate, GuestReady]. That is not a disappointment. A tax-free, dollar-anchored net of 5.5% to 6.5% is a strong income return by any developed-market standard. It is simply the honest number, not the headline one.

The lesson generalises. The wider the community's service charge, the wider the gross-to-net gap. A prime Downtown unit advertised at a lower gross, on service charges of AED 18 to 30 per sq ft, loses proportionally more to costs than a mid-tier flat. This is why the yield map and the cost map have to be read together, never apart.

LINE	JVC STUDIO, ILLUSTRATIVE	YIELD
Advertised gross yield	~8.5%	
Less service charges, management, vacancy, maintenance	deductions	
Realistic net yield	~5.5% to 6.5%	

Illustrative only. Advertised gross ~8.5% for a JVC studio per Bayut / GuestReady; the ~5.5% to 6.5% net is an operator estimate after service charges, ~5% to 8% management, roughly one month vacancy and a maintenance allowance. Your actual net depends on the specific unit, its service charge and its occupancy. Not investment advice.

JVC STUDIO YIELD, ILLUSTRATIVE (%)

Illustrative. Gross per Bayut / GuestReady; net is an operator estimate midpoint after all costs.

◆ WHY THE NET STILL WINS

A net of 5.5% to 6.5%, tax-free at source and paid in a dollar-pegged currency, is a genuinely strong income yield. The point of showing the gross-to-net walk is not to deflate the return. It is to make sure you buy on the real number, so nothing disappoints you later.

04

CHAPTER FOUR

Long-Let, the Steady Cheque

The default income instrument. Stable, contracted, low effort, bond-like. Why the annual lease is the backbone of a dependable Dubai income stream.

One Tenant, One Contract, One Cheque

The long let is the workhorse of Dubai income, and for a capital-preservation investor it is usually the right default. You let the unit on an annual contract, registered on Ejari, to one tenant. The rent is predictable, often paid in one to four cheques for the year, and the effort is low: a manager on **5% to 8%** handles sourcing, collection and renewals [operator estimate]. It behaves like a bond. You are not chasing occupancy night by night, you are collecting a contracted income on a twelve-month term.

The net a long let produces lands, on an operator basis, at around **5.5% net in a standard community** and around **4.5% net in a prime location** [operator estimate, Calgary / Gaia]. Those are the numbers to plan a life around, not the advertised gross. And they sit inside a market where rents, while decelerating, are still positive: ValuStrat put apartment rent growth at **+5.6%** in the year to Q3 2025, down from a much faster 2024, with villas slower still. So the income base is stable and gently rising, not falling, even as capital growth cools.

RENT POINT	COMMUNITY AND TIER	AVG ANNUAL RENT (AED)
Arjan, affordable apartment	65,325	
JVC, mid-tier apartment	64,808	
Business Bay, mid-tier apartment	106,368	
Dubai Marina, luxury apartment	125,047	

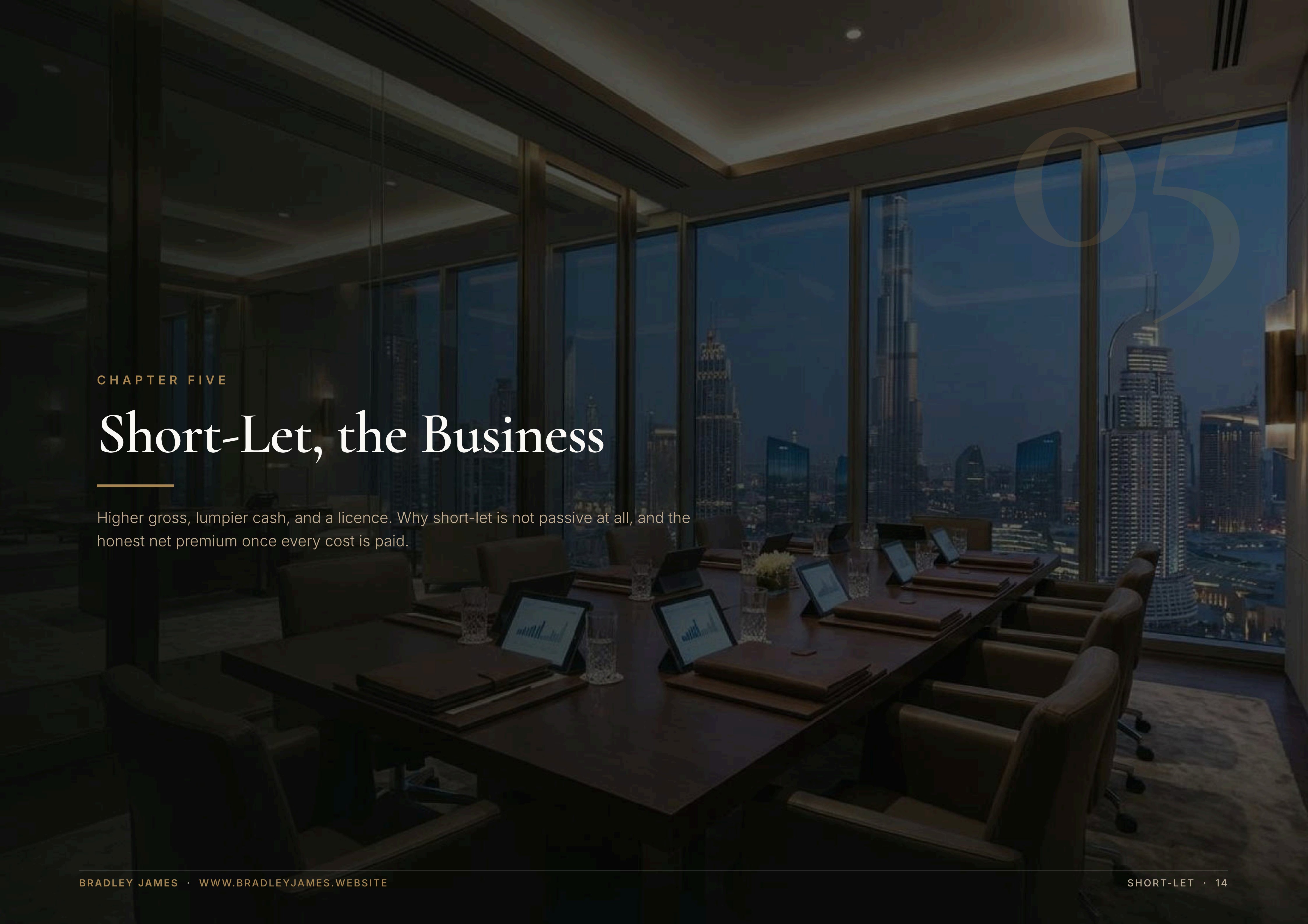
Bayut Dubai Rental Market Report H1 2025, advertised-listing average annual rents. Actual achieved rent varies by exact unit, floor, view and condition.

◆ WHY IT IS THE DEFAULT

- One tenant, one annual contract, predictable cheques.
- Low effort: a manager on 5% to 8% runs it remotely.
- Tenant pays their own utilities; unit can be let unfurnished.
- Rents still rising gently: apartments +5.6% to Q3 2025.
- Bond-like income, the backbone of a preservation portfolio.

◆ THE CASE FOR BORING

"A long let is deliberately boring, and boring is the point. A contracted cheque you barely have to think about is exactly what a preservation portfolio is built on."



CHAPTER FIVE

Short-Let, the Business

Higher gross, lumpier cash, and a licence. Why short-let is not passive at all, and the honest net premium once every cost is paid.

Not Airbnb, a Micro-Hospitality Operation

Short-let is where the biggest gross numbers live, and where the biggest misunderstandings live too. The mental model of 'just put it on Airbnb' is not how Dubai works, and pretending otherwise is how people lose money.

You may not legally let a residential unit nightly without a **holiday-home permit from the Dubai Department of Economy and Tourism**, the DET. Every unit must be permitted before it is listed. There is a one-off operator registration, an **annual per-unit permit of roughly AED 370 to 1,270** scaled by bedroom count, and a **Tourism Dirham of AED 10 to 15 per occupied bedroom per night** that you collect from guests and remit to the DET, with a filing due by the 15th of each month [DET]. Operating unlicensed carries fines. This is a regulated micro-hospitality business, not a passive tenancy, and that reframing is the whole point of the chapter.

The gross yields are genuinely higher. Short-lets are **advertised at double-digit gross**, often 11% to 14% in well-located units [operator estimate]. But the deductions are heavier too: a short-let management company takes **15% to 25% of revenue**, three to four times the long-let fee, because it is running guest communications, check-ins, cleaning turnover, multi-platform listing and DET compliance [operator estimate]. You also pay the utilities and you have to furnish and maintain the unit. The gross is bigger; so is everything that eats it.

AED 10 to 15

TOURISM DIRHAM PER BEDROOM PER NIGHT

DET

15% to 25%

SHORT-LET MANAGEMENT, OF REVENUE

Operator estimate

◆ THE PERMIT REALITY

One permit per unit, obtained before you host, an annual per-unit fee, a monthly Tourism-Dirham filing, and a title deed or a tenancy plus owner NOC to apply. A short-let is a licensed business you run, not a flat you passively rent out.

The Premium Is Real, and Smaller Than It Looks

So does short-let actually pay more? On a like-for-like net basis, and only when the unit is well located and well run, yes, but by less than the headline gross implies. Operator aggregations put a professionally managed short-let at around **6.2% net in a standard area** and around **7.5% net in a prime one**, versus roughly 5.5% and 4.5% net for the equivalent long let [operator estimate, Calgary / Gaia]. That is a net premium of roughly **+0.7 to +3.0 percentage points**, not the doubling the gross figures suggest. And it is a premium you earn, not one you collect passively.

The reason the premium is thinner than it looks, and lumpier, is occupancy. The **destination** runs around 81% hotel occupancy, but that is not what an individual owner achieves. A **typical holiday-home listing runs closer to 48% to 60%**, and the model only beats a long let when the unit sustains roughly **65% to 75%** occupied nights [operator estimate, AirDNA / operator]. The income is also seasonal: front-loaded into the winter peak from November to March, thin in the summer trough. Short-let is a top-quartile-execution business. Run averagely, the premium can vanish once voids and the 15% to 25% fee are paid.

RENTAL MODEL	MODEL	ADVERTISED GROSS	NET AFTER ALL COSTS
Long-let, standard area	~7.0%	~5.5%	
Short-let, standard area	~11.5%	~6.2%	
Long-let, prime location	~5.8%	~4.5%	
Short-let, prime location	~14.0%	~7.5%	

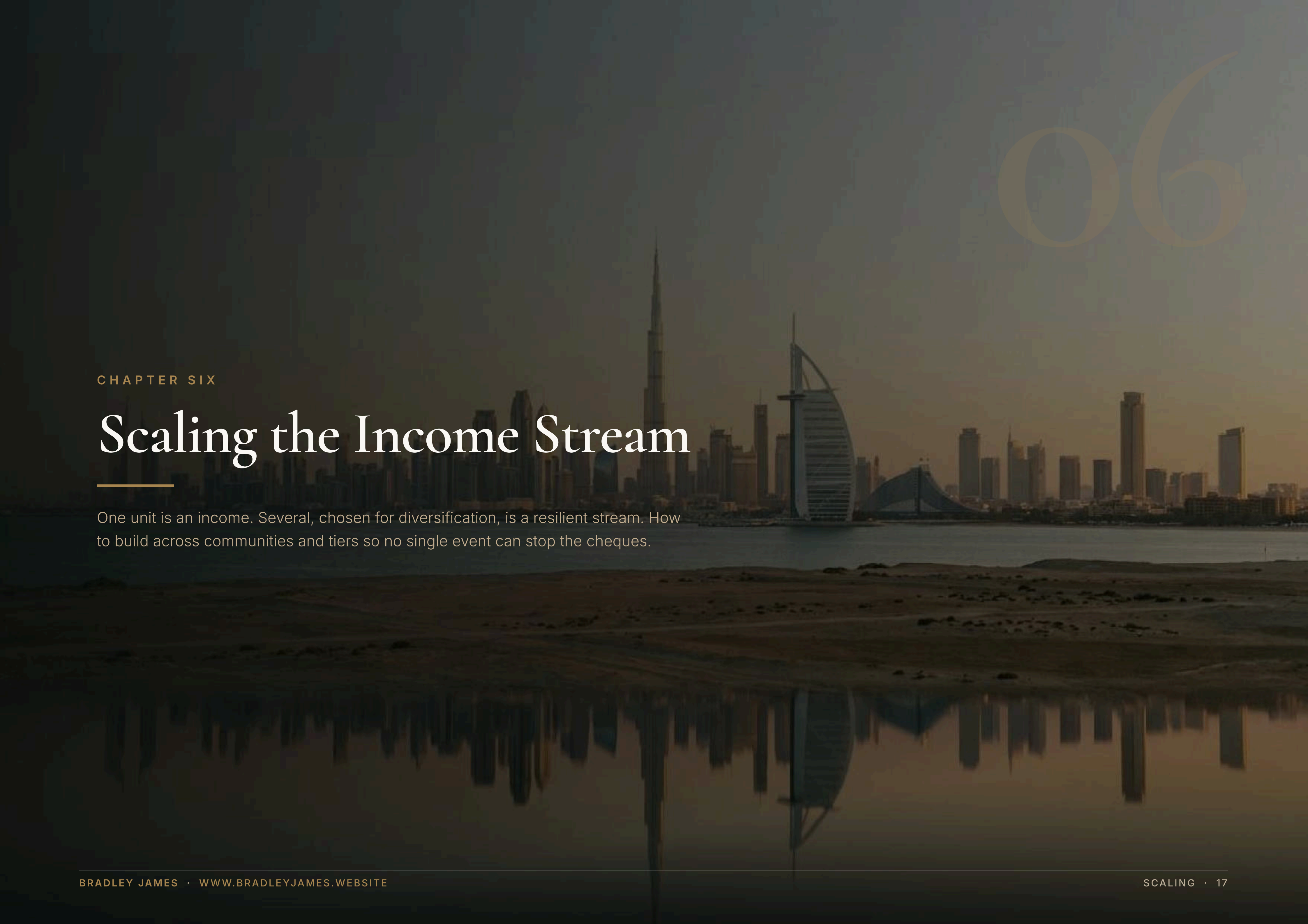
Operator estimates (Calgary / Gaia aggregations), not official DET or DLD statistics. Net figures assume professional management and the occupancy bands stated; a poorly located or averagely run unit will net materially less. Short-let net is occupancy-dependent and seasonal.

STANDARD-AREA NET YIELD, ILLUSTRATIVE (%)

Operator estimates. Short-let net is occupancy-dependent; shown at the stated ~65% to 75% band.

◆ THE HONEST VERDICT

Short-let can beat a long lease on net, but usually by a low single-digit margin, only in the right location, only at high occupancy, and only if you run a licensed business or pay 15% to 25% to someone who does. That fee is exactly what pulls the net back toward the long-let number.



06

CHAPTER SIX

Scaling the Income Stream

One unit is an income. Several, chosen for diversification, is a resilient stream. How to build across communities and tiers so no single event can stop the cheques.

Diversify the Cheque, Not Just the Capital

A single flat is a good income. It is also a single point of failure: one tenant, one community, one service-charge regime, one void that stops 100% of your cash at once. The move from an income to a resilient income stream is diversification, and in rental property that means spreading across **units, communities and tiers** so that no single event can switch the whole cheque off.

The logic is straightforward. Two mid-tier apartments in two different communities do not fall vacant on the same day. A mix of a higher-yielding affordable unit and a steadier prime one blends a stronger average net with lower volatility. Spreading across communities spreads service-charge risk, tenant-demand risk and any localised oversupply as the 2026 pipeline hands over. You are not chasing the single highest yield on the map. You are engineering a stream that keeps paying when any one part of it stumbles.

1. **Anchor first.**
   Start with one or two bond-like long lets in deep, liquid mid-tier communities for a dependable core cheque.
2. **Diversify the community.**
   Add units in different areas so a local void or a service-charge hike hits only part of the stream.
3. **Blend the tiers.**
   Pair a higher-yielding affordable unit with a steadier prime one to lift the average net without concentrating risk.
4. **Add short-let selectively.**
   Only where location and occupancy justify running a licensed business, as a satellite to the stable core, never the core itself.
5. **Underwrite every addition on net.**
   Each new unit must clear on its net yield after all four deductions, not on its advertised gross.

◆ RESILIENCE OVER MAXIMUM YIELD

A portfolio built for the highest possible yield concentrates in one hot community and one tier. A portfolio built for resilience spreads across both, accepts a slightly lower peak yield, and keeps paying when any single unit falls empty. Preservation prefers the second.

◆ THE SCALING RULE

"Do not buy the highest number on the yield map. Buy the combination that keeps paying when one unit goes quiet."

Where the Net Actually Sits

Diversifying well means reading the yield map honestly, and the map has one consistent shape: **yield falls as price per square foot rises.** Affordable and mid-tier apartment communities carry the highest gross, the city apartment average sits at 7.0% to 7.2%, prime areas run lower at 5.5% to 6.5%, and the highest-yield communities reach 7.5% to 9% gross [cr_dubai]. Villas yield less than apartments across the board, because villa capital values ran further. A resilient stream usually leans on mid-tier apartments for the core, because that is where deep tenant demand and strong net yields meet.

One more input helps you sanity-check any yield you are quoted. Numbeo's **price-to-rent ratio for Dubai is 14.06**, which implies a citywide gross of roughly 7%, reconciling neatly with the apartment average [Numbeo]. A ratio around 14 is low by global-gateway standards, where 25 to 40 is common, which is another way of saying Dubai is still comparatively rent-rich and buy-favourable. Use it as a reality check: if someone quotes you a gross far above the community norm, ask what the service charge and occupancy assumptions really are.

GROSS YIELD BY TIER (%), CITY CONTEXT

cr_dubai bands: high-yield 7.5% to 9%, city apartment 7.0% to 7.2%, prime 5.5% to 6.5%. Midpoints shown. All GROSS, before the deductions in Chapter 3.

◆ **READ THE MAP FOR NET**

The yield map is drawn in gross. Overlay the service-charge map on top and the picture changes: a prime tower's higher charge widens its gross-to-net gap, while a mid-tier community's lower charge protects more of the headline. Diversify on net, not on the gross the map shows.

07

CHAPTER SEVEN

What Can Go Wrong

The chapter that keeps the rest honest. Voids, service-charge hikes, rent caps, bad management and the real 2026 cooling. Income is more certain than growth, not risk-free.

The Ways the Cheque Can Shrink

Income is more certain than capital growth. It is not certain. A playbook that only shows the upside is a brochure, so here are the real ways a Dubai rental income can disappoint, stated as plainly as the advantages.

Voids. A vacant month is a month with a service charge and no rent, and it is the single most common reason a net yield undershoots the plan. Over-price the re-let, pick a thin community, or catch the summer lull and one empty month can become two. This is why the illustrations here budget a vacancy allowance rather than assuming 100% occupancy.

Service-charge hikes. Service charges are set annually by the Owners' Association and can rise. They are RERA-regulated, submitted through Mollak and benchmarked against the DLD Service Charge Index, which is real protection, but a prime tower can still carry AED 18 to 30 per sq ft, and an increase comes straight off your net. Underwrite the current charge, and leave headroom for it to climb.

Rent caps. Dubai regulates how much you can raise the rent on an existing tenant. Increases are governed by the RERA rental-increase calculator against the DLD Residential Rental Performance Index, so you cannot simply reprice a sitting tenant to the market overnight. That protects tenants and stabilises the market, and it also caps how fast your income can grow inside a tenancy. Plan for regulated increases, not free-market jumps.

◆ THE FOUR REAL RISKS

- Voids: an empty month still carries a service charge.
- Service-charge hikes: annual, and straight off your net.
- Rent caps: RERA governs how fast you can raise a sitting rent.
- Bad management: the wrong operator quietly erodes the return.

◆ THE LINE I HOLD

"Income is the more certain of the two returns. More certain is not the same as guaranteed. Budget for the void, the hike and the cap, and the cheque stays dependable."

CHAPTER 07 · MANAGEMENT AND THE MARKET

Bad Management, and the 2026 Cooling

Bad management is the silent tax. The wrong operator lets the unit sit empty, tolerates arrears, overcharges for maintenance, or files your DET paperwork late. On a short-let the damage is faster, because occupancy and compliance are daily jobs. The remote-management pillar is a genuine strength, but only with a competent, licensed manager. Choosing that manager well is one of the highest-return decisions in the whole playbook, and it is entirely within your control.

And the market itself is cooling. I will not soften this. After a record 2024 and 2025, Dubai is entering a supply-led moderation in 2026. The capital-growth outlook has eased to ~10% from roughly 19.8% in 2025, ValuStrat's index is decelerating, and Fitch expects a correction of up to 15%, explicitly not a crash. Around 150,000 new homes are due by 2027, and 60% of sales are off-plan, so fresh inventory will compete with your unit at re-let. The honest read: this cooling pressures capital values and can soften rents in over-supplied pockets, which is precisely why income is the anchor and diversification is the defence. A contracted rent cheque, spread across communities, is the most resilient thing to own into a cooling market.

up to 15%
FITCH 2026 CORRECTION, NOT A CRASH
Fitch Ratings

150,000
NEW HOMES DUE BY 2027
Moody's

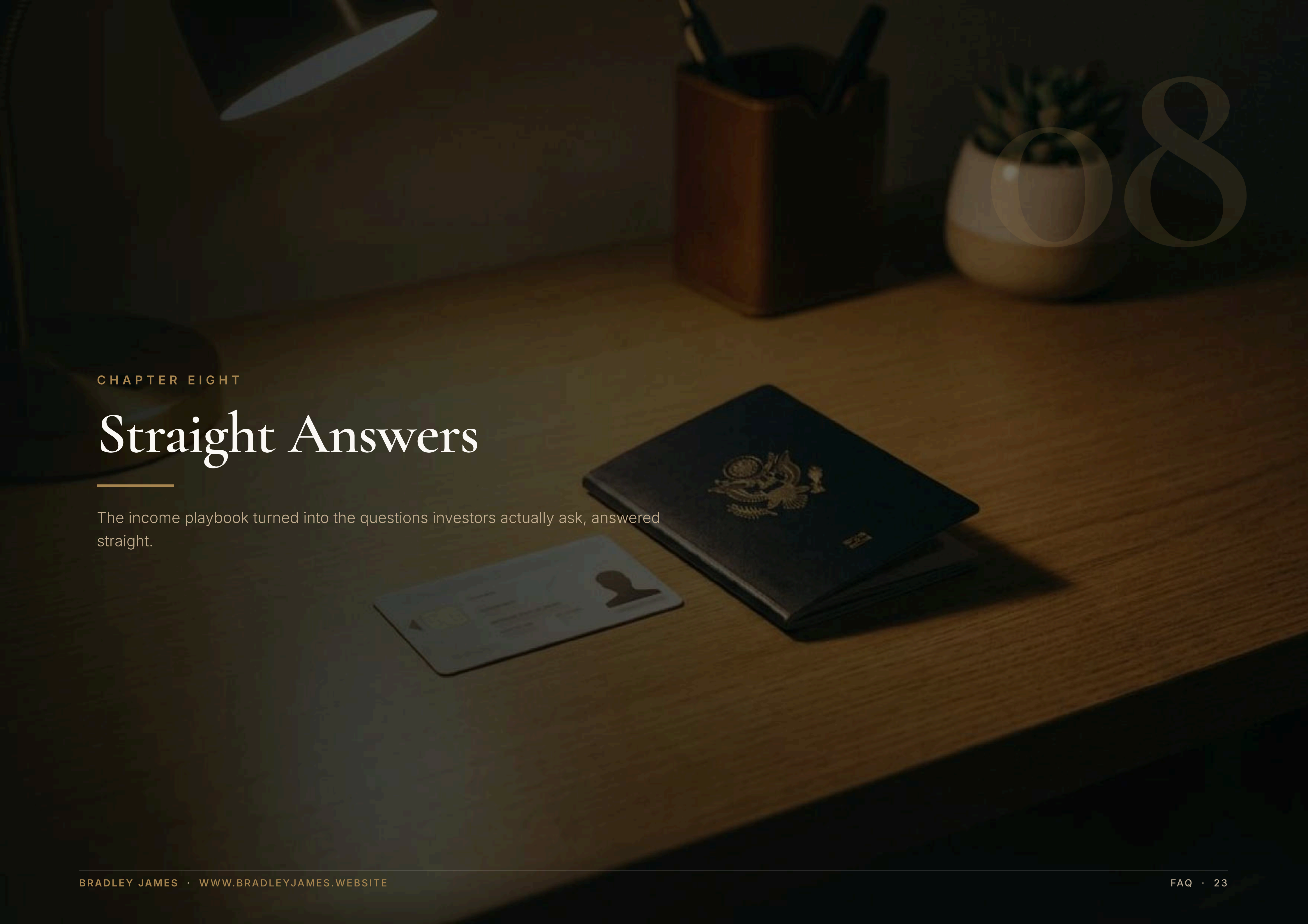
60%
OFF-PLAN SHARE OF SALES
DLD

◆ WHY INCOME HOLDS UP BEST

A cooling market pressures the price chart first and the rent cheque far less. A tenant on a twelve-month contract pays through the cycle. Spread that contract across a few communities and the 2026 moderation becomes something you ride, not something that stops your income.

◆ THE HONEST CLOSE TO THE RISKS

"I would rather you buy a smaller, resilient, well-managed income than a bigger one sold on a gross yield and a rising chart. The first survives a cooling. The second was never really yours."



08

CHAPTER EIGHT

Straight Answers

The income playbook turned into the questions investors actually ask, answered straight.

The Questions Investors Actually Ask

Q. Is Dubai rental income really tax-free?
At the personal level in Dubai, yes. There is 0% personal income tax and no annual property tax, so rent from a property you own personally is not taxed here, and the 9% corporate tax applies to business profits above AED 375,000, not to your personal rent. The separate question is your home country, which may still tax the income depending on your own tax residence. Take cross-border advice.

Q. What net yield can I actually expect?
Plan on the net, not the gross. A city apartment quoted around 7.0% to 7.2% gross commonly nets around 5.5% to 6.5% after service charges, 5% to 8% management, roughly one month vacancy and maintenance [operator estimate]. Prime nets lower, around 4.5%. Those are strong, tax-free, dollar-anchored income returns, and they are the honest numbers to budget on.

Q. Is it really passive if I live overseas?
It is close, for a long let. A licensed manager on 5% to 8% of the rent handles the tenant, the Ejari registration, collection and renewals, so an overseas owner can run it remotely. But 'passive' is relative: there is always a fee, a renewal and the occasional repair. A short-let is not passive at all, it is a licensed business.

Q. Does short-let really pay more than long-let?
On net, and only in the right unit, a little. Operator estimates put a well-run short-let at around 6.2% net standard and 7.5% net prime, versus roughly 5.5% and 4.5% for a long let, a premium of about +0.7 to +3.0 points. It depends on sustaining 65% to 75% occupancy and paying 15% to 25% management, and it is lumpy and seasonal. Long-let is steadier; short-let is a business.

Q. Can my landlord raise the rent freely, or can I?
No, increases on a sitting tenant are capped. The RERA rental-increase calculator, against the DLD rental index, governs how much you can raise an existing rent at renewal. That stabilises the market and protects tenants, and it also means your income grows at a regulated pace inside a tenancy, not at free-market speed.

Q. Should I worry about the 2026 cooling?
You should factor it in, not fear it. Dubai is in a supply-led moderation: growth outlook around ~10% for 2026, a Fitch correction of up to 15% rather than a crash, and around 150,000 homes due by 2027. That pressures capital values more than the rent cheque. A contracted income, diversified across communities and well managed, is the most resilient thing to hold through it.

Q. How do I turn one unit into a real income stream?
Diversify. Anchor with one or two bond-like long lets in deep mid-tier communities, spread across different areas and tiers so no single void or service-charge hike stops the whole cheque, add short-let only where location and occupancy justify running a business, and underwrite every addition on its net yield after all four deductions.

REFERENCES & SOURCES

Every Figure, Sourced

Every statistic in this guide is attributed. Where sources differ, a range is used. Links are live and clickable.

01 **Dubai Sales Market Report 2025 (gross rental yields and price per sq ft by community)**. Bayut / MyBayut. https://www.bayut.com/mybayut/dubai-sales-market-report-2025/

02 **Dubai Rental Market Report H1 2025 (average annual rents by community and tier)**. Bayut / MyBayut. https://www.bayut.com/mybayut/bayut-h1-2025-dubai-rental-market-report/

03 **Best rental yields in Dubai 2026 (per-community gross yield bands and the net after service charges)**. GuestReady. https://www.guestready.com/blog/best-rental-yields-in-dubai/

04 **Property Prices Index, Dubai (price-to-rent 14.06, price-to-income 7.26)**. Numbeo. https://www.numbeo.com/property-investment/in/Dubai

05 **Dubai service charges 2025, rates per sq ft by community (JVC, Marina, Downtown, Palm)**. Arabian Sunrise Properties. https://www.arabiansp.ae/dubai-service-charges-in-2025-compare-rates-across-communities/

06 **Service Charge Index and the Mollak system (RERA-regulated Owners' Association budgets)**. Dubai Land Department. https://dubailand.gov.ae/en/eservices/service-charge-index-overview/service-charge-index

07 **Apply for a holiday home permit (DET permit regime, Tourism Dirham, annual per-unit fees)**. Dubai Department of Economy and Tourism. https://www.dubaidet.gov.ae/en/our-services/for-consumers-and-students/apply-for-a-holiday-home-permit

08 **Short-term vs long-term rental in Dubai 2026 (net-yield bands, management fees, break-even occupancy; operator estimates)**. Calgary UAE / Real Estate Club Dubai. https://calgaryuae.com/blog/short-term-vs-long-term-rental-in-dubai-which-makes-more-financial-sense-in-2026

09 **Dubai Real Estate Transactions 2024-2025 (volumes and values)**. Dubai Land Department / DXB Interact. https://dubailand.gov.ae/en/open-data/real-estate-data/

10 **Dubai population clock (crossed 4.0 million, August 2025)**. Dubai Statistics Center. https://www.dsc.gov.ae/en-us/Pages/default.aspx

11 **Dubai Economic Agenda D33 (AED 32 trillion, double the economy)**. Dubai Media Office. https://mediaoffice.ae/en/news/2023/January/04-01/Dubai-Economic-Agenda-D33

12 **Dubai 2040 Urban Master Plan (population target 5.8 million)**. The UAE Government Portal. https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/infrastructure-and-transport/dubai-2040-urban-master-plan

13 **UAE Article IV Consultation and World Economic Outlook (GDP, inflation)**. International Monetary Fund. https://www.imf.org/en/Countries/ARE

14 **ValuStrat Price Index (VPI) and 2026 capital-growth outlook**. ValuStrat. https://www.valustrat.com/valustrat-price-index/

15 **Dubai residential market review, prime price per square foot**. Knight Frank. https://www.knightfrank.ae/research

16 **Global Sovereigns and UAE / Dubai real estate outlook (supply-led moderation)**. Fitch Ratings. https://www.fitchratings.com/

17 **Private Wealth Migration Report 2025 (UAE the world's #1 net inflow)**. Henley & Partners. https://www.henleyglobal.com/publications/henley-private-wealth-migration-report-2025

18 **UAE corporate tax and 0% personal-tax framework for individuals**. PwC Middle East Tax Summaries. https://taxsummaries.pwc.com/united-arab-emirates

19 **The dirham peg to the US dollar at 3.6725 (since 1997)**. Central Bank of the UAE. https://www.centralbank.ae/en/

20 **Safety and crime indices 2025 (UAE ranked safest country)**. Numbeo Crime and Safety Index. https://www.numbeo.com/crime/rankings_by_country.jsp

WORK WITH BRADLEY JAMES

Build the Cheque. Then Protect It.

◆ ABOUT BRADLEY

Not a broker, an advisor. I built a business in the UK and spent more than a decade advising people from all walks of life, before moving to Dubai and joining M&M Real Estate to work at a higher strategic level than the typical transactional broker. I specialise exclusively in off-plan investment for overseas and high-net-worth clients, I put my own capital into the projects I recommend, and my business is more than 80% referral-driven, because every client came through someone who trusted me first.

WHATSAPP
+971 56 500 6162

EMAIL
b.james@mandmrealestate.ae

WEBSITE
www.bradleyjames.website

Bradley James

INVESTMENT ADVISOR · M&M REAL ESTATE · DUBAI